

10/15/09

Dear Ms. Reich:

Despite my numerous requests for repayment of these client funds, I note that you have not yet returned to Mr. Epstein the remaining balance of \$412,931.86 of overpayments made by Mr. Epstein to your firm in response to your firm's erroneous invoices. You have refused to return these client funds, claiming that your firm was entitled to offset the unreturned balance by amounts you claimed to be due to your firm for professional services. You have done this even though I have repeatedly advised you that the amounts you claimed to be due were never agreed to by Mr. Epstein. I have repeatedly asked that Mr. Lefcourt call Mr. Epstein to discuss your bill, but he never has. Though I am no lawyer, it appears to me that you are withholding client funds with an offset of professional fees that are still in dispute with Mr. Epstein. As I have said before, I do not understand how you can do this.

In reviewing your invoices, it appears that a significant portion, if not all, of your "offsetting" professional fees related to your firm's work for Mr. Epstein on the Cordero case. With respect to that work, Cordero's counsel and the City of New York now maintain that, when you raised your constitutional arguments with the judge, you were required by New York's civil procedure rules to inform the City of New York of your constitutional argument, but never did so. As a result, in addition to the appeal, Cordero's lawyer filed an emergency petition to vacate the judge's decision to dismiss the case and the City of New York also moved to intervene. In addressing those two motions, Mr. Epstein has already incurred at least \$61,583 of legal fees and disbursements that would have been avoided had you complied with the simple notification procedure under New York's civil procedure rules.

Mr. Epstein has now incurred a total of \$474,514.86 as a result of your obvious oversight and overbillings. I again ask that you reconsider your decision to withhold repayment of Mr. Epstein's money under the circumstances and that Mr. Lefcourt call Mr. Epstein to resolve this matter once and for all.

Sincerely,

Harry Beller